Valuation of BLACO shares

3090. SHRIMATI BRINDA KARAT: Will the Minister of MINES be pleased to state:

(a) whether SBI Capital Markets Limited was appointed as valuer for valuation of 49 per cent equity shares of Government in BALCO for the purpose of disinvestments;

(b) whether SBI Capital Market Limited in turn had assigned the job of valuation to M/s Dalal Mott MacDonald, Mumbai;

(c) whether there is a case of conflict of interest of this agency in valuing the shares as they are also engaged in valuation job for captive power plant and smelter of BALCO; and

(d) if so, the reason for engaging this agency by SBI Caps?

THE MINISTER OF MINES (SHRI SIS RAM OLA): (a) SBI Capital Markets Limited (SBI Caps) were appointed as Independent Valuer on 26.12.2005 to determine the fair value of the relevant shares of BALCO, held by Government of India.

(b) SBI Caps have indicated that for one component of valuation, *i.e.* for the work of technology evaluation and fixed asset valuation of BALCO, they had engaged M/s Dalal Mott MacDonald.

(c) and (d) SBI Caps who were asked to clarify whether there was any conflict of interest on the part of M/s Dalal Mott MacDonald have clarified that M/s Dalal Mott MacDonald were engaged as Lender's Engineers on behalf of ABN Amro Bank for BALCO's expansion project at Korba, Chattisgarh and there was no privity of contract between M/s Dalal Mott MacDonald and BALCO.

Iron-ore reserves in Chhattisgarh

†3091. SHRI RAMADHAR KASHYAP: Will the Minister of MINES be pleased to state:

(a) the number of known reserves of iron-ore in Chhattisgarh;

(b) the quantum of this reserve for which mining concession is provided

†Original notice of the question was received in Hindi.

to PSUs of Government of India and the stock reserved for PSUs of Government of India;

(c) whether Government have been receiving applications for reserving iron-ore reserve in favour of State Government's PSU, CMDC; and

(d) if so, the dates of receiving such applications and by when the same will be disposed of?

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. T. SUBBARAMI REDDY): (a) As per information provided by the Indian Bureau of Mines (IBM), the iron ore reserves/resources in Chhattisgarh as on 1.4.2005 is estimated to be 2650.83 million tonnes (provisional).

(b) As per the information available with IBM, 712.8 million tonnes of iron ore reserves/resources are estimated to be available under mineral concessions granted to Central Public Sector Undertakings (CPSU) in Chhattisgarh. An area of 1702.70 hectares bearing iron ore in District Kanker and Bastar has been reserved for exploitation for CPSU namely M/s Steel Authority of India Ltd.

(c) and (d) A proposal of State Government of Chhattisgarh seeking reservation over a total area of 1475.25 hectares in two deposits in Bailadila range for iron ore in favour of Chhattisgarh Khanij Vikas Nigam (CKVN) has been received in the Ministry of Mines on 25.2.2002. In this proposal the State Government has been informed that one of the deposits covering an area of 345.25 hectares is held under mining lease by M/s National Mineral Development Corporation (NMDC), and, therefore, the question of reservation over the area in favour of CKVN does not arise. On the second deposit, the State Government has been requested to indicate the period for which the reservation in favour of CMDC is required. No decision regarding reservation of this deposit can be taken unless the State Government provides the information. Apart from this, the State Government of Chhattisgarh had sought reservation of 1195 hectares for iron ore in village Ari Dongri, district Kanker in favour of Chhattisgarh Mineral Development Corporation Ltd. (CMDC) which was received in the Ministry of Mines on 25.2.2003. The State Government subsequently requested that the proposal may be treated as closed.